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Bosnia-Hercegovina Grain and Feed Crop Update 2006

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Report Highlights:

According to the Bosnia and Herzegovina (BiH) Entities' Agricultural Ministries and the Brcko District Agricultural Department estimates, the winter wheat area is approximately 57,500 hectares, down 20% from the previous season. The main reason for this decline is that grain production is not as profitable as other crops. On January 1, 2006 a value added tax of 17% was introduced and applied to agricultural inputs. Before that a zero tax rate was applied. The Agricultural Ministries report total corn production at 975,800 tons harvested from 199,000 ha.

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Vienna [AU1] [BK]

Wheat

According to the Bosnia and Herzegovina (BiH) Entities' Agricultural Ministries¹ and the Brcko District Agricultural Department unofficial estimates, the winter wheat area is approximately 57,500 hectares (35,000 ha in the Republika Srpska (RS), 20,000 ha in the Federation and 2,500 in the Brcko District), down 20% from the previous season. The main reason for this is that grain production is less profitable than some other productions (e.g. fruit and vegetable), and as a result wheat area is deceasing every year. In addition, the value added tax (VAT) of 17% that was introduced on January 1, 2006 is now applied to all agricultural inputs (seeds, fertilizers and chemicals). This is in comparison to a zero tax rate for inputs before that date. A further decrease in wheat area is likely to occur in 2007/2008 unless the authorities decide to provide more support to farmers.

Corn

The Ag Ministries reported total corn production at 975,800 tons harvested from 199,000 ha. The area harvested in the RS was 145,000 ha with an average yield of 5-5.5 ton/ha. The area harvested in the Federation of BiH was 48,500 hectares with an average yield of 3.8 ton/hectare, and the area harvested in the Brcko District was 5,500 with an average yield of 5.5 ton/ha.

Barley and Rye

Total winter barley area is estimated at 12,200 ha (3,700 ha in the Federation, 8,000 in the RS, and 500 ha in the Brcko District).

Total winter rye area is estimated at 3,200 ha (1,200 ha in the Federation and 2,000 in the RS).

¹ There are two Entities in Bosnia and Herzegovina, the Federation of BiH and the Republika Srpska, plus the Brcko District as a small administrative unit, and two agricultural ministries and one department accordingly.